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DRAFT KILGALLEN

SUMMIT RANGER DISTRICT
RECREATION RESIDENCE RENTAL POLICY

Field Project

Mary Margaret Kilgallen
Forester/Assistant Resource Officer

Summit Ranger District
Stanislaus National Forest
Star Rt. Box 1295
Sonora, CA 95370
(209) 965-3434

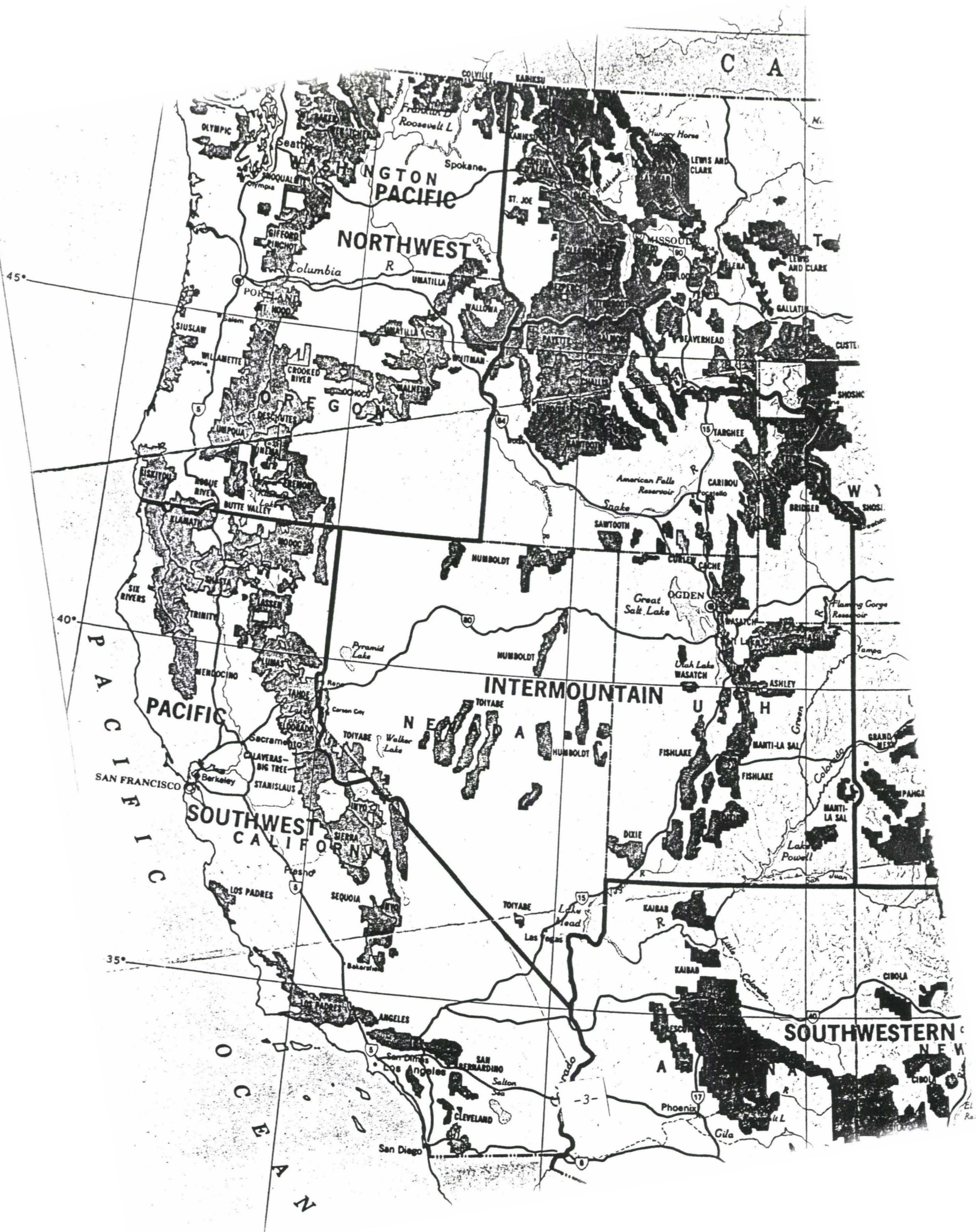
Clemson Class of 1988

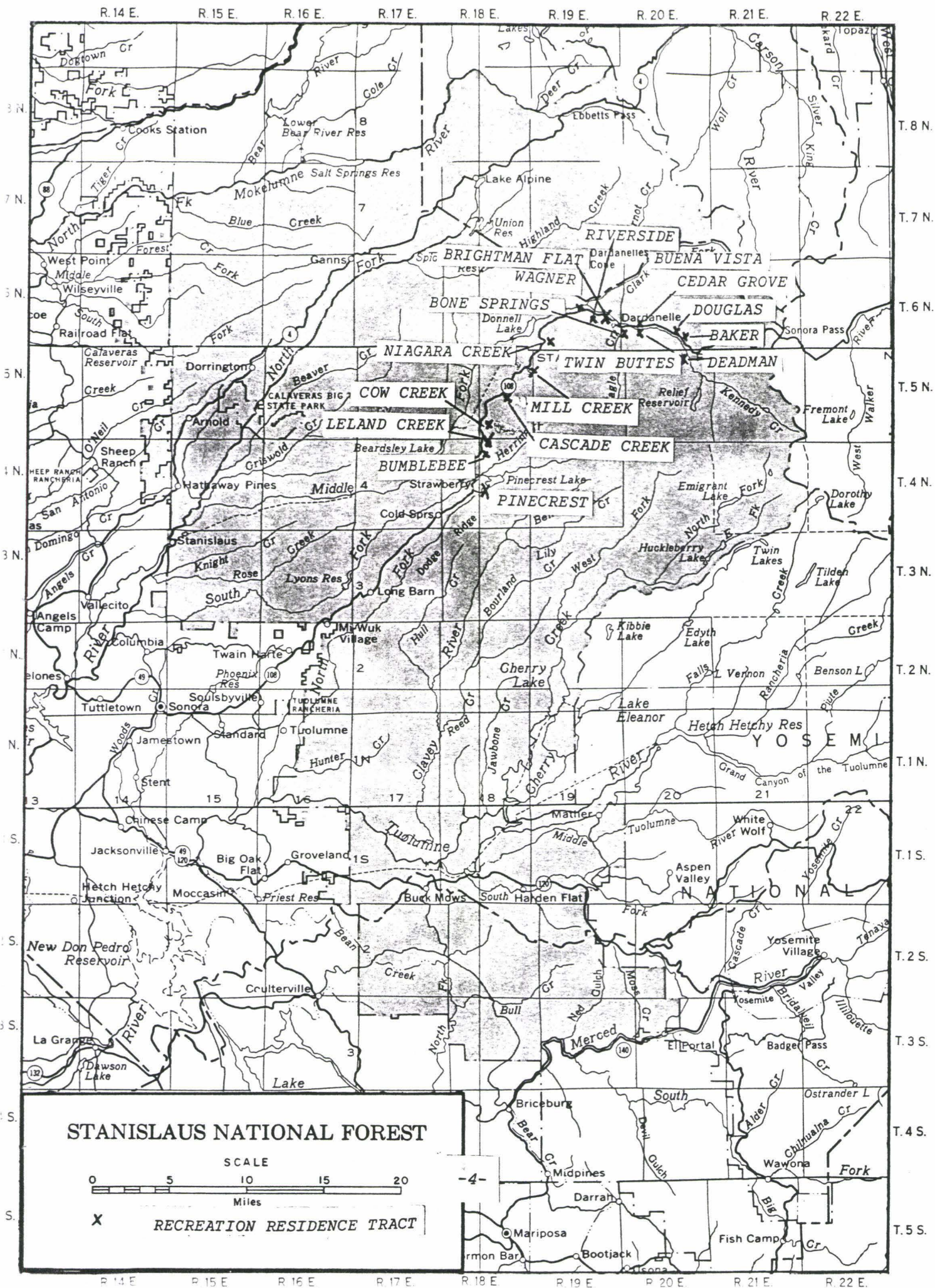
April 1, 1989

This paper was prepared as a student project in partial fulfillment of the requirements of the Professional Development for Outdoor Recreation Management Program at Clemson University. It in no way reflects USDA Forest Service policy nor are the opinions expressed those of anyone other than the author.

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ABSTRACT

TITLE: SUMMIT RANGER DISTRICT
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AUTHOR: MARY MARGARET KILGALLEN
Forester/Assistant Resource Officer
Summit Ranger District
Stanislaus National Forest
Star Rt. Box 1295
Sonora, CA 95370
(209) 965-3434

ABSTRACT: The Summit Ranger District of the Stanislaus National Forest has 635 recreation residences under Special Use Permit. A need exists to update the rental/sublease policy for these residences. As part of a Clemson University Recreation Management Short Course Project, a questionnaire was sent to each permittee requesting input on rental use and desires. Results were tabulated through use of a database and the summary was used to provide recommendations for an updated policy. Recommendations include a continued 12 week per year limitation in the Pinecrest Tract and a shorter 2 week limitation in other tracts. Some exceptions may arise at the discretion of the District Ranger. Other recommendations are to require that renters sign an agreement to abide by local rules and regulations and to have the district continue to use the present agreement form for rental approval.

Keywords: Recreation Residence, Rental, Sublease, Pinecrest, Summit Ranger District, Stanislaus National Forest, Special Use Permit.

EXECUTIVE SUMMARY

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RECREATION RESIDENCE RENTAL POLICY

AUTHOR: MARY MARGARET KILGALLEN
Forester/Assistant Resource Officer
Summit Ranger District
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Star Rt. Box 1295
Sonora, CA 95370
(209) 965-3434

INTENT:

The intent of this field project is to examine and gain an overview of what is currently occurring on the Summit Ranger District in the area of recreation residence rentals/subleasing, to review national, regional and local Forest Service direction on the subject, to solicit input from the recreation residence permit holders and to analyze this information and input and consolidate it into a report for the district ranger to review as a step in updating the current rental policy.

In September 1988 I participated in the Recreation Management Short Course at Clemson University which required a field project. In searching for a project which would be of value in my work, I thought of the problems which had come to my attention in regard to rental use of recreation residences on the Summit Ranger District.

The district's rental policy was last updated in March of 1981. My supervisor asked that I work on updating it this winter. We were getting complaints that renters were not obeying forest rules, were parking in the streets, making too much noise, showing a general lack of consideration for neighbors and in some instances "overpopulating" cabins.

The situation did not appear to have any easy solutions. I felt that using it as my Clemson project would provide a chance to solicit input from the cabin owners on the subject. This would not have occurred if I had done the project as a part of my job.

PLAN:

My plan for the project consisted of three steps: 1) to do all the research I could to familiarize myself with Forest Service guidelines on the subject, 2) to prepare a questionnaire to send to the cabin owners for their input on the subject, as well as to inform them that the policy is being updated, and 3) to consolidate this input and

information into a report which the District Ranger could use as a guide in updating the district's rental policy.

RESULTS:

In brief summary, over 1/3 of the questionnaires were returned (see Table 1, page 7). Only the smaller tracts showed a lesser response. The results show a significant difference between the permit holders in Pinecrest Tract and the permit holders in all other tracts. In Pinecrest, rental is accepted as desirable by 87% of those responding; only 6% feel it "should not" be allowed. In the outlying smaller tracts, only 52% of respondents feel it "should" be allowed and 39% are against it entirely.

Of the 37 permittees reporting rental use in 1988, the average days rented was 34, about 5 weeks. Only 1 permittee reported more than 12 weeks of rental use and that one reported 305 days or about 44 weeks. Twenty-five percent of the Pinecrest respondents reported rental in 1988. However the District Ranger has already received 12 applications for rental in 1989, two of which have requested more than 12 weeks and the average time requested is about 10 weeks.

Only 2 other owners in other tracts reported rental and these were for only 4 and 5 days. Almost no rental was reported outside of Pinecrest. Thus it appears that rental is not something generally desired or utilized outside of the Pinecrest Tract.

Many comments were received in addition to suggestions for defining "incidental" rental. The most common definition of "incidental" found in this survey is a sum which includes the amount spent on Forest Service fees, maintenance, county taxes and permittee fees (including water and sewer in Pinecrest). This dollar amount varies greatly by individual lot as well as by tract. It was pointed out that almost the only thing the permittees have in common is the Special Use Permit allowing them to use public land for their recreation residences. Size, age, value and condition of the individual cabins varies greatly.

RECOMMENDATION:

My recommendation is that the District Ranger consider Pinecrest Tract as unique and separate in treatment of rental policy. Pinecrest Tract has a water and sewer system which allow a higher use rate. It also has strong support of rental by the permittees. It should continue with the 12 week limit which has been the policy for the last 7 years there. The other tracts' permittees have persented a much less positive feeling toward rental. There are no public sewer facilities available to minimize impacts of increased use. I do not see a need for an extended rental period there and I recommend a more conservative 2 week limit.

INTRODUCTION:

BRIEF HISTORY:

Recreation residences have been a part of the Summit Ranger District since the early 1900's. The current rental policy was last updated in March of 1981, when allowable use was increased from 6 weeks to 12 weeks. It is found in the Summit District Recreation Residence Administration Guide. It sets a 12 week/year limit on rental and requires that the permittee sign a form, (Exhibit A, page 9), which gives planned dates for rental, amount charged, and requires that Forest Service be furnished name, address and period of rental for each sublessee prior to the rental period. It limits use per individual or family to 20 days per year. The owner agrees to ensure that the sublessee is aware of the rules and regulations of the Special Use Permit. It also includes an agreement that the subleasing of the cabin will be incidental to personal use and will not be commercial in nature. The District Ranger reviews the applications individually and if acceptable signs and returns a copy to the permittee who may then sublease or rent the cabin as agreed upon. Locally, there is one realtor who oversees a number of these cabin rentals and forwards a year end report to the District Ranger.

CURRENT SITUATION:

I began working with the permittees in administration of their permits in July 1988 when I became the Assistant Resource Officer on the Summit Ranger District. One of the first problems I came across was that of rentals. Neighboring cabin owners came into the District Office complaining about excessive noise and impact being made by the people renting some of the cabins.

In the worst case, I was told that twenty-eight or more people were staying in a cabin and destroying the peace and quiet that neighbors had come to the mountains to enjoy. Our law enforcement officer had been called to the site because cars were parked in the roadway. The cabins in the tracts are close to each other and just putting 28 people on one lot is sufficient to change the kind of recreation experience neighboring cabin owners are experiencing. This particular cabin had been remodeled and the neighbors felt that the remodel (which enlarged the cabin) was done expressly for the purpose of making a profit from rentals.

Investigation determined that the cabin owners had not filed a request for permission to rent so the District Ranger notified them that they could not rent for the duration of the season. However, the owner applied for rental permission two weeks later and it was granted.

Conflicts arise when anyone comes into a recreation tract and does not consider that other people are there to enjoy the peace and quiet of the "woods". Conflicts also arise when permittees rent their cabins out for a price that appears to be commercial, that offsets the costs of owning and maintaining the cabins.

EXHIBIT A

TO: District Ranger
U.S. Forest Service
Star Route, Box 1295
Sonora, CA 95370

2720

Dear Sir:

I desire to sublease my recreation residence located on the Summit District of the Stanislaus National Forest as follows:

Lot _____ Tract _____, Period of Renting _____ to _____.
Rent charged \$ _____ per () day, () week, () month.

Name of realtor _____
(If applicable)

PERMITTEE STIPULATES:

1. I will not sublease this residence for more than twelve (12) weeks per calendar year with a maximum of twenty (20) days per individual, family, or group.
2. I (or a realtor acting for me) will furnish to the Forest Service the names, address, and period of rental for each sublessee prior to the rental period.
3. I will ensure that the sublessee is aware of the rules and regulations concerning recreation residences as covered in my special use permit (this may be done by a realtor).
4. I recognize that the subleasing of my recreation residence does not relieve me of the responsibility of complying with the terms of my special use permit.
5. The subleasing of my cabin is incidental to my personal use, and will not be commercial in nature.

Signed (Permittee): _____ Date: _____

Subleasing of the indicated recreation residence is approved under the stated conditions.

District Ranger

Date

Renters are often not aware of the Forest Service rules and regulations by which they are to abide. The Forest Service has often been bypassed in the entire process and does not know which cabins are being rented, when, for how much, or to whom. Cabin owners themselves, are often not aware that their permit requires that they gain permission from the District Ranger before renting. The realtor who handles many of the rentals was not aware that this was necessary. Since I notified him of this requirement, his office has been cooperating and forwarding requests to the District Ranger for approval.

Items needing to be addressed in updating the rental policy include ways to track who is renting what, when and for how much, guidelines to enforce the rental policy, recommended limits of numbers of people renting a cabin at one time, a time limit for rental per year, and a suggested framework for defining where to draw the line between commercial use, incidental use and private recreation use. Tracts should be examined to determine if there are significant differences in what is appropriate for each. Communication between the Forest Service and the permit holders needs to improve. In the Clemson Short Course, an emphasis was placed on communication and on giving the users what they want, rather than what it is we think they should have. In this project, I determined that requesting input through a questionnaire would be the most appropriate way to gain knowledge of what the permit holders desire.

This Field Project looks at the information collected and incorporates into suggestions which are presented to the District Ranger who will make a decision as to which policy appears to be most appropriate for the district at the current time.

LITERATURE REVIEW

Forest Service Direction - National, Regional and Local:

Relevant material was found in the Forest Service Manual sections 2347, and 2721; Forest Service Handbook section 2700; and internal memos as well as the Summit District Guide to Administration of Recreation Residence Permits. Appendix A contains the applicable passages.

To summarize what I found, the overall emphasis in direction is to maximize the utilization of the land for recreation purposes while at the same time avoiding commercial use. Direction from the R-5 supplement leaves it up to each forest to develop a policy for each Recreation Residence Tract utilizing factors applicable to the local situation.

METHODOLOGY

Permit Holder Input - Questionnaires:

Questionnaires and cover letters (Exhibit B, pages 12-14) were mailed to all 635 Recreation Residence permit holders. These were sent out using Clemson University letterhead with an explanation that this was part of a student project. Permittees were invited to share their ideas and suggestions in regard to rental or subleasing of the recreation residences. As of March 23, 1989, two hundred twenty-one, approximately 1/3 (35%) of all permittees had responded, (TABLE 1, page 15).

I make the assumption that the other 2/3 of the permit holders have no major feeling either for or against rental since they didnot take the time or effort to return the questionnaire. I will treat the results given in these responses as being representative of the tracts as they are the best data available.

Forest Service Personnel:

I solicited input from the District Resource Officer, District Ranger, and a Forest Writer/Editor before finalizing the Questionnaire. I then sent it through these same people and the Forest Recreation Officer and Forest Supervisor before sending it out to the permit holders.

ANALYSIS OF RESULTS

Tabulation of data turned out to be the most difficult part of the project. A lot of permittees took the time to write down comments and suggestions. I was able to come in on my days off and evenings to use the Data General Computer at the Forest Supervisor's Office to input data into a FES database.

Questionnaire results were entered into a database and sorted by Recreation Residence Tract. Table 1 shows the numbers of responses by tract. Three of the smaller tracts didnot give any response. East and West Douglas are combined as several of the permit holders didnot specify which Douglas they were in. (The two tracts are adjacent to each other).

Several more sorts provided further refinement of the data.



College of Forest and Recreation Resources

DEPARTMENT OF PARKS, RECREATION AND TOURISM MANAGEMENT

P.O. Box 1117
 Pinecrest, CA 95364
 February 16, 1989

SUBJECT: Rental Policy Questionnaire - Recreation Residences

Dear Permit Holder:

As part of a course in Recreation Management which I am taking at Clemson University in South Carolina, I am preparing a report on the use and rental of the recreation residences on the Summit Ranger District, Stanislaus National Forest. As part of this report, I am asking for your suggestions and ideas for updating the district's policy on rentals. This is your opportunity to let the District Ranger, Herb Hahn, know your wishes in regard to the district's policy on recreation residence rentals. However, these results will be only one of the items taken into consideration in the final creation of an updated rental policy for the District.

For the last several years, the District's policy has been to allow rental (with the Ranger's permission) for up to twelve weeks a year. Currently the Regional Office (San Francisco) of the Forest Service is recommending a two week per year limit on rentals. Each Forest will determine what is appropriate for individual tracts. I feel that the District Ranger should know what the rental use has been and what the permittees desire before making a decision to change the amount of time or the conditions for rental/subleasing.

Forest Service Manuals and Handbooks recognize recreation residences as a "very important use of National Forest System Lands". The purpose of the use is for recreation for permit holders and guests. Business or commercial use is not allowed. An "incidental" amount of rental may be approved "to help defray costs and provide additional recreation opportunities."

There are several ways of looking at rentals. One is that they serve to spread that special use of National Forest land for recreation among a larger group of people. Another, however, is that they may be considered a commercial use of the land. Even "incidental" rental can result in a higher appraised value. The Federal Income Tax Code implies that rentals for less than 15 days per year are not commercial. The Summit District has not yet set a policy which defines the point at which rental goes from incidental to commercial in nature. This questionnaire requests your input toward that definition.

With the information you provide in the questionnaires, I will compile a summary of the personal use and rental/subleasing for this last year (1988). I will also compile a summary of your desires for a rental/subleasing policy for the district. I realize that not all of you will have an opinion on this issue. I do encourage you to return the questionnaire, as the more that are returned, the more accurate will be the results of this survey. Thank you for your cooperation in assisting me in this project.

Sincerely,

A handwritten signature in cursive script that reads 'Mary Margaret Kilgallen'.

MARY MARGARET KILGALLEN

QUESTIONNAIRE ON CABIN USE IN 1988

(Please return to M.M.Kilgallen, P.O. Box 1117, Pinecrest, CA 95364 before MARCH 2, 1989. Thank you.)

This survey is being prepared as a student project in partial fulfillment of the requirements of the Professional Development for Outdoor Recreation Management program at Clemson University. It in no way reflects USDA Forest Service policy nor are the opinions expressed those of anyone other than the author.

Please answer the following questions:

Housing Tract your recreation residence is located in: _____

I feel that the Forest Service should/should not (circle one) allow renting of recreation residences.

I recommend that permittees be allowed to rent their residences _____ weeks per year.

If dollars collected in rent per year was used to define the point at which rental goes beyond "incidental" to commercial, what would you suggest be used as the limit for "incidental rental", i.e., amount spent on maintenance per year, Forest Service fees per year, a percent of one of these or some other measurement?

Please explain why you feel that amount is "incidental" and not "commercial":

No. of Days (1988) cabin was used by permittee (yourself): _____

No. of Days (1988) cabin was used by guests at no charge: _____

No. of Days (1988) cabin was used by renters: _____

Fee charged for rental: weekly: _____, daily: _____, monthly: _____

Is there anything else that you feel I should know regarding rental use of your cabin? Was this amount of use unusual, or do you plan a different amount of use in the future if it is allowed?

Questionnaire on Recreation Residence Rental Policy

page 2

Are there other comments or suggestions that you would like to share regarding the rental policy on the Summit Ranger District?

Have you any suggestions for ways the Forest Service (without expending more money) could administer the recreation residence permits that would enhance the emphasis on a natural area recreation experience?

Optional, (response not necessary):

Name: _____

Cabin Number: _____

I appreciate your efforts to assist me in this survey. Thank you very much.

Sincerely,

Mary Margaret Kilgallen
Mary Margaret Kilgallen

TABLE 1

<u>Tract Name</u>	<u>No. of Residences</u>	<u>No. of Responses</u>	<u>Percentage of Tract Responding</u>
Baker	1	1	100%
Bone Springs	10	6	60
Brightman Flat	58	17	29
Buena Vista	2	0	-0-
Bumblebee	21	7	30
Cascade Creek	7	4	57
Cedar Grove	4	0	-0-
Cow Creek	42	14	33
Deadman	18	7	39
Douglas	31	14	45
Leland Creek	23	8	35
Mill Creek	7	3	43
Niagara Creek	3	0	-0-
Pinecrest	379	129	34
Riverside	6	1	17
Twin Buttes	7	3	43
Wagner	16	3	19

Responses To The Questions:

"I feel that the Forest Service should/should not (circle one) allow renting of recreation residences."

No opinion expressed = 16 = 7% of total

Should not = 43 = 20% of total

Should = 157 = 73% of total

Pinecrest Tract holds 379 recreation residences which account for 60% of the total recreation residences on the district. It is interesting to note that 59% of the responses came from Pinecrest Tract permittees. Pinecrest has more than six times as many cabins as the next largest tract, Brightman Flat.

The Pinecrest area is unique as it is much more developed than the other tracts. Some of the things making it different from the other tracts are: a beautiful lake complete with a 3 mile National Scenic Trail around it, a marina with boat rentals, water and sewer systems to all but 12 of the residences, two campgrounds, several organization camps, a resort, a very popular public beach, several stores and a Post Office in the immediate vicinity. Since the tract is so large, and the responses from Pinecrest make up 59% of the total received, I separated it from the other tracts to see if it had a significantly different response. The following is the result from Pinecrest Tract alone:

Pinecrest Tract Responses:

No opinion expressed = 8 = 6% (of Pinecrest Responses)

Should not = 8 = 6%

Should = 111 = 87%

It appears that an overwhelming majority of permit holders in Pinecrest are in favor of permitting rental within the tract.

The remaining tracts when totalled together show the following:

All Tracts Other Than Pinecrest Combined:

No opinion expressed = 8 = 9%

Should not = 35 = 39%

Should = 46 = 52%

With 39% responding that no rental should be permitted in these outlying tracts, it appears that these areas should be looked at with the possibility of treating them differently than the more urbanized Pinecrest. The owners appear to have different dominant needs than those at Pinecrest.

Time Recommendations:

"I recommend that permittees be allowed to rent their residences ____ weeks per year."

There was a full range of responses from zero given by those who felt that no rental should be allowed at all to a full 52 weeks (all year) given by those who felt that cabin permittees should have the same rights as property owners in the private sector.

The total recommendations are shown in Graph 1. Graph 2 shows Pinecrest Tract alone and Graph 3 shows the remaining tracts (other than Pinecrest) grouped. (Graphs are found on following pages.)

Within Pinecrest, the average time recommended (11.6 wks) was close to the present 12 week limit. Only 13% of the responses recommended more than 12 weeks. The largest clusters of responses were found at 12 weeks, followed by 4, 6 and 8 weeks respectively.

Outside of Pinecrest, responses from those recommending rental average 10.8 weeks. Only 9% recommended a longer time. The largest clusters of responses were at 0 weeks, followed by 4, 12 and 2 respectively.

"Incidental" Definition:

"If dollars collected in rent per year was used to define the point at which rental goes beyond 'incidental' to 'commercial', what would you suggest be used as the limit for "incidental rental", i.e., amount spent on maintenance per year, Forest Service fees per year, a percent of one of these or some other measurement."

There was a large variety of responses to this question. In terms of a combination of items being mentioned together most often, Forest Service fees, County Taxes, Maintenance Costs and Permittee Association Fees (including water and sewer fees) had 23 responses (some of which included other items in addition). Individually, these four items stood out from the other responses. Often they were listed in combination with various other items. (One questionnaire might list a combination of items and thus have numerous different tallies.)

Otherwise there was not much conformity in people's definition of "incidental". Sixty-eight or 31% of the respondents did not attempt to answer this at all. Of the remaining, 38% gave a response which included full Forest Service Fees plus a variety of additional items; 28% included County Taxes; and 24% included costs of maintaining the cabin. The definitions given by the remainder ranged from a fixed amount anywhere from \$500 to \$10,000 per year to a % of the Forest Service fees to a return on the principal cost of the residence. Generally the reason given for the

definition was that people did not feel that a profit was being made. Some of the typical comments are as follows:

"any income should be considered commercial"

"should be based on a reasonable return on investment"

"should be allowed whenever permittee cannot utilize cabin"

"maximize utilization of site."

"no profit"

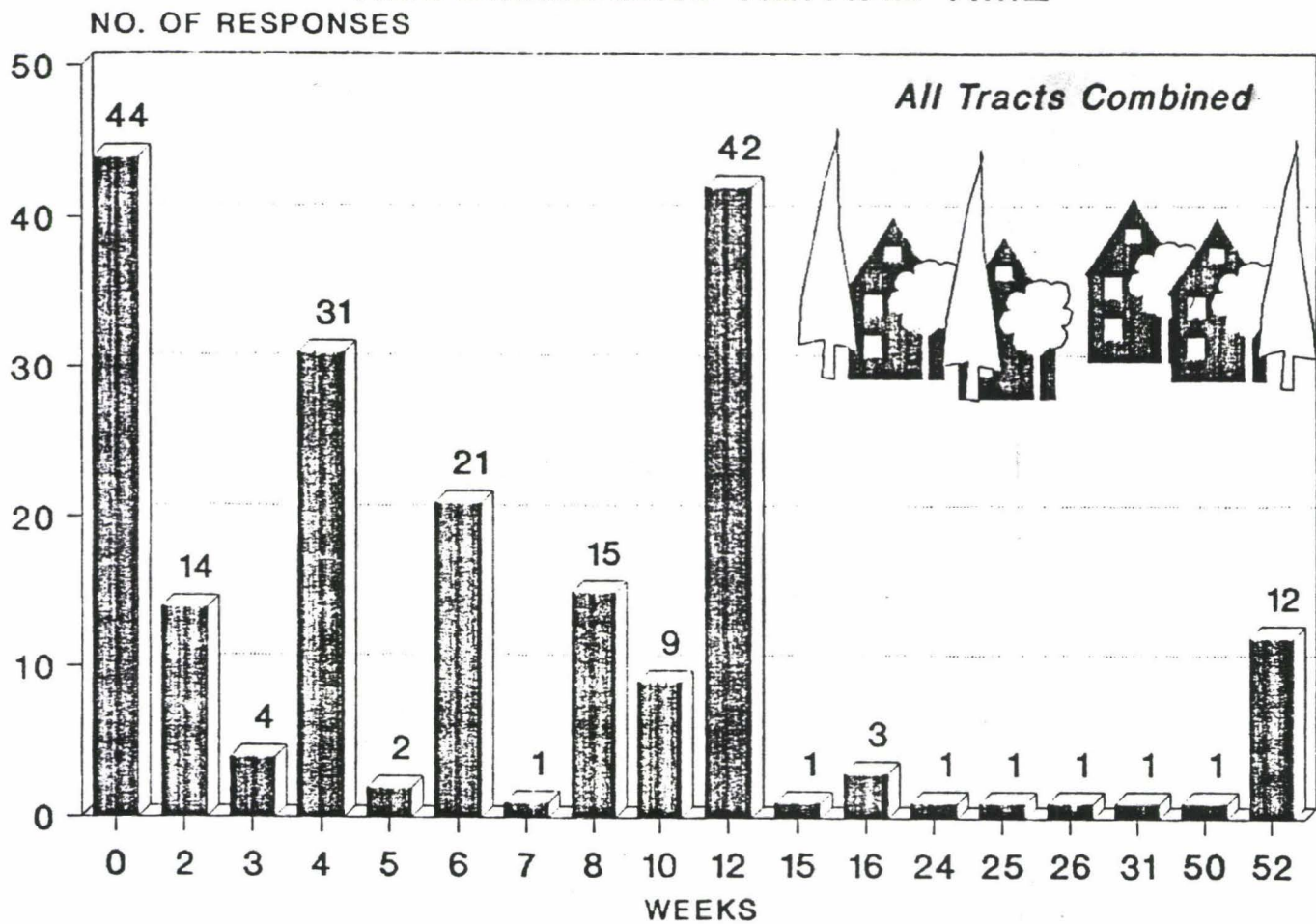
"it does not cover all costs of ownership"

"a living could not be made from it."

The following is a list showing the number of times each item was listed:

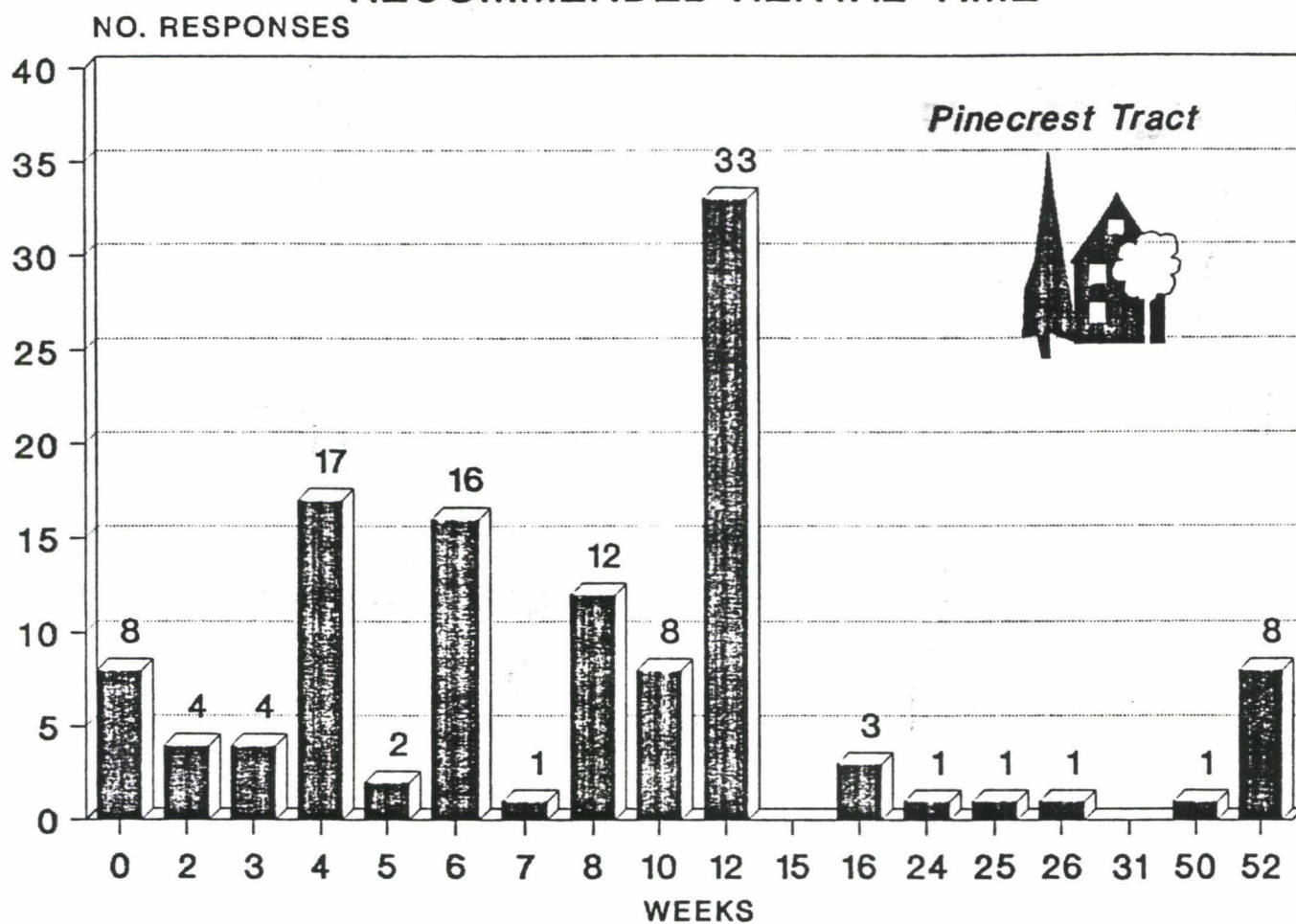
<u>Type</u>	<u>Number of Times Mentioned</u>
Forest Service Fees	81
County Taxes	61
Maintenance Costs	54
Permittee Assoc. Fees	53
Percentage of all fees	22
Utilities	15
A fixed dollar figure	13 (range \$500 to \$12,000)
Insurance	12
Percent of market value	6
Pay for planned improvements	5
Percent of initial investment	2
Other miscellaneous unclassified	37

GRAPH 1 **RECOMMENDED RENTAL TIME**



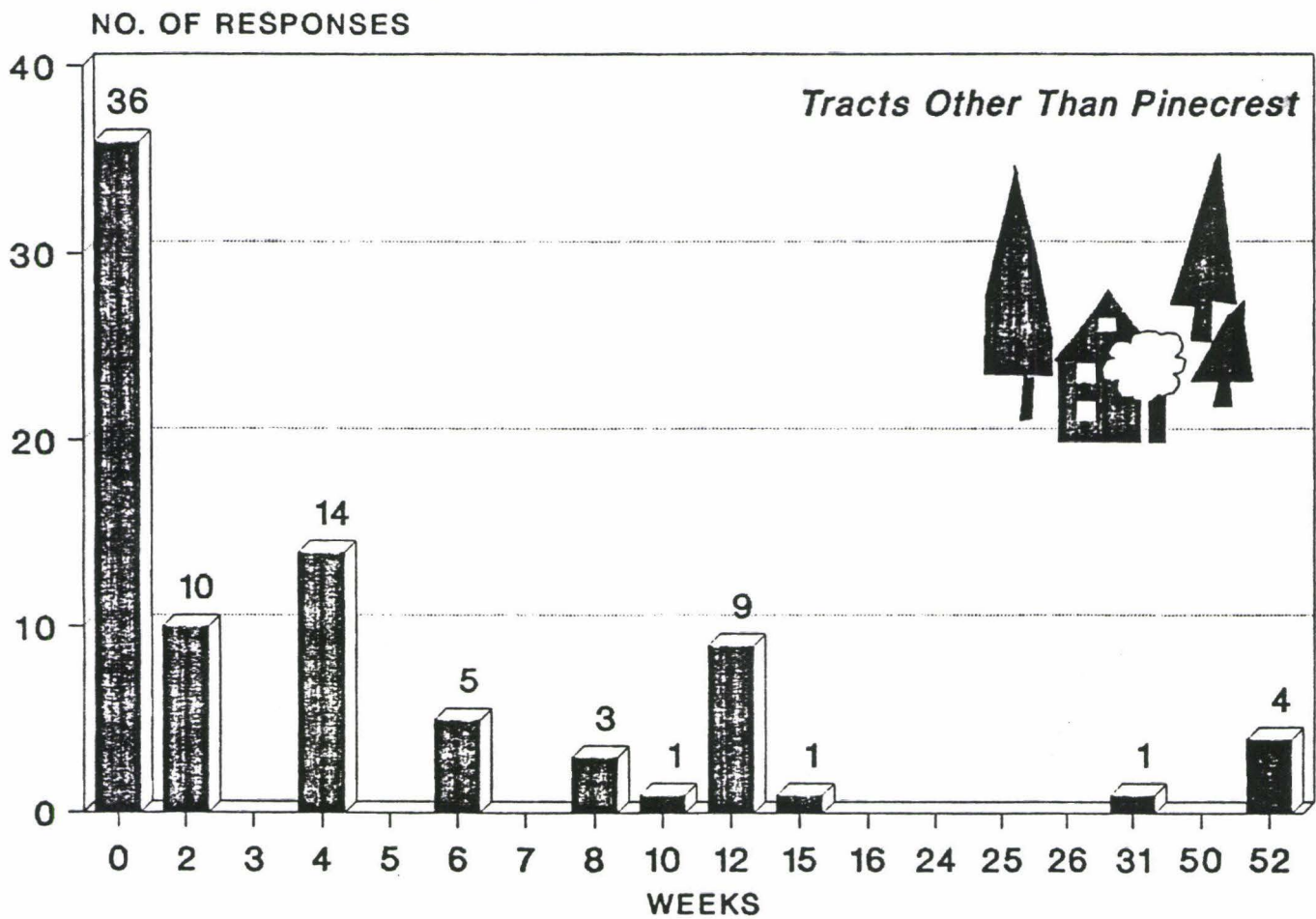
Recreation Residence Rentals
 Data From Questionnaires

GRAPH 2
RECOMMENDED RENTAL TIME



Recreation Residence Rentals
Data From Questionnaires

GRAPH 3 **RECOMMENDED RENTAL TIME**



Recreation Residence Rentals
 Data From Questionnaires

REPORTED USE:

"No. of Days (1988) cabin was used by permittee (yourself): _____"

Self use average is about 59 days as reported in this survey.

"No. of Days (1988) cabin was used by guests at no charge: _____"

Guest use was not reported in a consistent manner. It is obvious that I did not word the question in a clear manner. Some people reported guests concurrently with their own use and others reported guests only if the guests used the cabin without the owner. There is no way to determine which way this was interpreted by people (unless they explained and few did), so the number is not very meaningful. Some owners considered extended family as guests while others felt that any family use was "self use". Two permit holders recommended that the results of this survey be used to calculate a number of visitor days provided by the residences. This cannot be done as I did not ask the question in a way which would provide that data, i.e. How many people spent how many 12 hour days at your cabin?

"No. of Days (1988) cabin was used by renters: _____"

Thirty-seven permittees reported rental use in 1988. Only two of these were in Tracts outside of Pinecrest Tract. Only one permittee reported more than 12 weeks of rental use. That one reported 305 days of rental at \$360 per week. Twenty-five percent of the respondents from Pinecrest Tract reported rental use. The average number of days rented was 34 or about 5 weeks. Rates charged ranged from \$5/day to \$900/week.

For 1989, the District Ranger has received 12 applications which average 10 weeks requested for each, all are within the Pinecrest Tract. Rates range from \$375/week to \$800/week.

DISCUSSION/SUMMARY

As you may imagine, there are many ways of looking at rentals. From one point of view, they help to maximize the recreational use gained from the recreation residences. From another viewpoint, they may have a negative impact on the land if sewer systems are insufficient or the ground or ground cover is too delicate to withstand increased use. Overcrowding may change the quality of experience each individual receives. Many people come to the mountains to experience "healing" and "peace and quiet". Rentals may also be considered commercial rather than incidental depending on what is used to define the line between the two.

The local real estate agent who handles rentals, Rod Brezina, took the time to write a lengthy letter which pointed out many of the difficulties inherent in having a rental policy with limits of \$ or time. He felt that the questionnaire responses would show that owners who do not rent are very opposed to rental. This is not what I found to be true with the questionnaires

returned from Pinecrest Tract. He pointed out that permittees who have recently purchased cabins have often done so with the expectation that rental would help to offset the costs. Several questionnaires shared this concern. Middleclass ownership versus ownership restricted only to the wealthy was an issue brought up by many people in addition to Rod Brezina. Elderly owners on fixed incomes are having difficulty meeting Forest Service fee increases. With the increase in market value of cabins in Pinecrest Tract in the last ten years, Mr. Brezina feels that it would be totally impossible for new owners to make a profit renting "if their life depended on it". He also voiced the opinion that rental adds in spreading the highest and best use of the land for the largest number of people and adds little additional impact to the land. Several permit holders stated that they feel that they contribute the most and receive the least of any of the users of the Forest. Several others felt that having a cabin on public land in the National Forest was a privilege well worth the cost. It is obvious that the issue is complex and that the group of cabin owners is diverse.

I do not have the time to list all of the comments given by the various permittees. They are available in rough draft form in the printouts from the database. I believe I have mentioned most of the major points

An additional major concern which kept showing up revolved around renters not being familiar with the rules and regulations. Another concern was that the Forest Service should stay out of the market place entirely in regard to rental. People felt that it was a situation which the Forest Service would not be able to properly enforce. Many felt that a time limit rather than monetary limit was the only equitable way to set the policy - since expenses varied so much from cabin to cabin.

In the past, Pinecrest Tract has had problems when septic system failure began to degrade the water quality in Pinecrest Lake. Cabin owners had a choice of correcting the deficiency or removing the cabins. As a result a water and sewer system was installed. This allows greater use of the area without creating the same impact that occurs in other tracts.

Several of the tracts on the district are located above the Cow Creek Gate on Highway 108. This gate is closed seasonally so that owners have road access only 5 to 7 months per year dependant on snow accumulation. Some do go in by snowmobile or by foot. With an already limited season, allowing 3 months or 12 weeks of rental seems high. Twelve weeks would generally be more than half of the total use of the cabin as rental.

Questions of how rentals affect the private sector in terms of competition appear to have little impact. Pinecrest Lake Resort is planning to rebuild the lodge they once had in order to expand overnight accomodations. In general the demand for cabins or overnight accomodations appears to be greater than the supply.

The results of the Questionnaire point out that the recreation residence permit holders in the Tracts other than Pinecrest view rental with conflicting points of view. Thirty-nine percent were entirely against rental and fifty-two percent were in favor of rental. These tracts are much more isolated than Pinecrest and present a very different recreation experience. People who discussed renting here tended to refer to close friends who had been coming up

for years or to family who also had been coming up for years. On the basis of this I recommend that the district put a general limit of two weeks on these tracts but allow for exceptions to be made at the discretion of the District Ranger. It is a very different situation to donate \$10/night toward the cost of utilities versus having to pay \$100+/night. I suggest that amounts of \$10 or less per night be considered very incidental and not require the same formal approval that higher prices would entail.

I recommend that Pinecrest Tract continue to have a twelve week limitation on rental. This fits what the large majority of cabin owners there requested and does not appear to conflict with the private sector use or to cause a significant negative impact on the area. It will continue to increase the availability of cabins for people who do not own them and who do not care to camp.

I suggest that the Forest Service contact the permittee associations to determine what rules and regulations they would like to have users agree to. The Associations could provide this to the Forest Service and jointly come up with a list which included permit clauses, Tract Rules, and general Forest Rules. Renters would be required to sign an agreement similar to that which the permittee signs in requesting rental approval. The renter would be given a copy of the rules at that time. Another suggestion is to post a log book at the Ranger District Front Desk where guests (both rental and nonrental) could register and pick up a copy of local rules and regulations pertinent to the various tracts. The local real estate agent should also have copies of these to give out.

The present 20 day per year per person limit seems reasonable. I suggest that the district continue to use the present form Exhibit A as a basic rental agreement with the cabin owners. It would be modified to show a two week limit for tracts outside of Pinecrest.

In regard to limiting the number of persons using a cabin at one time. This was a concern for many permit holders who had had bad experiences with too many renters "next door". A limit based on the number of parking spaces and the size of the cabin should be negotiated. General guidelines should be set using the permittee associations and the real estate agent's input along with common sense to come up with reasonable numbers.

APPENDIX A

A LISTING OF current Forest Service Policy and Direction as found in Forest Service Manuals (FSM), Handbooks (FSH), the Special Use Permit, Internal Memos and the District Recreation Residence Administration Guide.

FSM 2347.1 #1. "Recreation residences are a very important use of National Forest System lands. They are an important component of the overall National Forest recreation program and have the potential of supporting a large number of recreation person-days. The Forest Service will work in a partnership with the holders of these permits to maximize the recreational benefits of these residences."

FSM 2347.1 #2. "Administer recreation residence special use permits to ensure proper use of the site for family and guest recreation purposes."

FSM 2721.23a--2 #3. "A special-use permit for a recreation residence authorizes its use solely for recreation purposes. Deny use of the facility for business or commercial purposes."

FSM 2721.23a--2 #4. "Recreation residences are for the personal use of holders and their guests. To help defray costs and provide additional recreation opportunities, incidental rental may be approved for specific periods. Ensure that rental use is solely for recreation purposes and does not change the character of the area or use to a commercial nature."

FSH (10/86 R-5 SUPP 1) 2700 21--1 #21 #2. "Subleasing/Rental. Sublease and rental are considered synonymous. Subleasing of the site and improvements will be for recreational use. It constitutes use by another party or parties in addition to the minimum 15 days recreation use each year by the holder. Subleasing will be incidental to the holder's personal use and will normally be of a short duration. As a guide, "short duration" is two weeks, but longer periods of up to 30 days may be acceptable.

Each forest should develop a policy for each recreation residence tract to determine if short-term subleasing should be authorized. Frequent subleasing may be allowed if impacts from such use are acceptable. Factors such as water and sewage system capability and capacity, and soil conditions will be key determinants to amount of use possible. Permit more subleasing in tracts with central sewer systems than in those with other systems. Consider these factors when determining whether to allow subleasing:

- a. Recreation capacity of the area.

- b. Competition with resort cabin rental on private and government land.
- c. Road access capability.
- d. Other factors applicable to the local situation."

The intent is to allow better utilization of National Forest System lands. Subleasing decisions should be made on a tract basis and documented in the tract folder, citing reasons for the decision. Fully include tract associations and recreation residence owners when making these decisions. Keep in mind, however, that the Forest Service is not obligated to allow holders full recovery for costs of owning a recreation residence by subleasing.

Memo from Regional Office in San Francisco dated 12/8/88:

Rentals

..."Holders should be aware that even incidental rentals can result in a higher appraised value. One Forest has limited rentals to 14 days, based on the fact that the Federal income tax code considers income from homes rented less than 15 days per year not part of the gross income of the taxpayer, nor does IRS allow deductions because of rental use for less than 15 days per year. Thus, the implication is that rentals for less than 15 days per year are not commercial."

Clauses from the Term Special Use Permit for Recreation Residences (permit now being revised as a result of appeal):

I.C. This permit authorizes only personal recreation use of a noncommercial nature by the holder, members of the holder's immediate family, and guests. Use of the permitted improvements as a principal place of residence is prohibited and shall be grounds for termination of this permit.

VII.E. "Rental: The holder may rent or sublet the use of improvements covered under this eprmit only with the express written permission of the authorized officer. In the event of an authorized rental or sublet, the holder shall continue to be responsible for compliance with all conditions of this permit by persons to whom such permises may be sublet."

IV. RENTAL POLICY

Refer-
ences

Clause 17
FSM 2721.23b,
Item #5

FSM
2721.23e

- A. The improvements under permit may be rented by the permittee only after receiving written Forest Service approval. The renting must be incidental to the personal recreation use exercised by the permittee. Renting may not be commercial in nature. While the cost of owning a recreation residence has increased substantially, renting must be on a very limited basis to avoid being commercial. The special use fee charged for the use of the lot has been discounted to allow for permit stipulations, which include but are not limited to (1) restricting use of personal recreational purposes for single-family use; (2) requiring prior approval for changes to the lot or structures; (3) complying with regulations, laws, and ordinances; (4) protecting the natural resources and scenic and aesthetic values; (5) protecting the public health, safety and welfare; and (6) recognizing the terminable nature of the permit.

It is not intended that the renting allowed be equal to the cost of maintaining and owning a recreation residence.

District
Policy

- B. The amount of renting which a permittee may do and remain within the above guidelines is difficult to define. To aid in the definition, the maximum period for which a permittee may rent his cabin in a calendar year is limited to twelve weeks, with a maximum stay of 20 days per renter(s). Justification is in Appendix I.

The twelve week limit applies to all recreation residences on the District. Specific exceptions to this policy may be made by the District Ranger, depending on circumstances.

C. Rental approval procedure:

1. District Ranger approval prior to renting must be obtained. Prior approval is necessary to ensure that the permittee and rentor are aware of their responsibilities. The rental form shown in Exhibit A must be signed by the District Ranger prior to renting.
2. To monitor the renting, the District will maintain a control sheet which will show the rental periods and rental fees charged.